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SENSITIVE
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KUMAR

E.O. 12958: DECL: 11/19/2019
TAGS: [EINV](#) [ECON](#) [EFIN](#) [KWBG](#) [IS](#)
SUBJECT: RAWABI LAND TITLE RESOLVED, ON TO THE NEXT
CHALLENGE

REF: JERUSALEM 1800

Classified By: Consul General Daniel Rubinstein for reasons 1.4(b),(d)

11. (C) Summary: One of the primary hurdles facing the prominent Rawabi residential and commercial development project in the West Bank has been overcome, as the developer has reached agreement with major landowners on a land purchase price. The Palestinian Authority (PA) has taken legal steps to ensure the developer obtains clear title. The developer plans to begin work on the site shortly, if only to maintain momentum, but noted that significant challenges remain, including: securing formal GOI permission for a road passing through Area C (and PA agreement on the route); finalizing negotiations on water, electricity, and sewer networks; and securing funding for infrastructure. The Rawabi development was the signature project of the 2008 Palestine Investment Conference held in Bethlehem, and will be a fully self-contained town, including a large number of affordable housing units. End summary.

Rawabi to get clear land title

12. (C) On November 18, PA President Abbas reportedly signed a land appropriation order, which Rawabi developer Bashar Masri called "the last necessary step" to ensure he has secure title to the land needed in the Rawabi area. Following "difficult" negotiations with the last remaining significant landowners, Masri told EconOff on November 20 that he has deposited funds into an escrow account held by the PA Ministry of Finance to secure the purchase of the remaining property. As landowners prove that they own parcels of land, they will be compensated out of the escrow account.

13. (C) In order to capitalize on this positive development, Masri is in final negotiations with three construction companies, and aims to have bulldozers on site by mid-December, despite the fact that the winter months provide less than ideal conditions. He claims that his Qatari partners (Qatari Diar) are fully on board, and that, in general, "interest is really picking up."

14. (C) Masri said he paid above market price for much of the land, but hoped it created goodwill towards the project. He said he paid between 8-20 JD per square meter for the land outside Rawabi city lines, and between 12-30 JD per square meter inside (and as much as 100 Jordanian Dinar (JD) per square meter for some hilltop land with a view of Netanya.) He estimated that his company now owns approximately 2,200

dunums of land in the area, and that in the end, land acquisition will have cost him around USD 75 million.

The next hurdle: the access road

15. (C) Masri claims to have heard from multiple sources within the GOI that a "political decision" has been taken to transfer the land needed for the access road from Area C to 1B. He understands the sensitivity of such a decision, and said that he expects it would be revealed in a political context. Masri said he plans to move forward at the site without formal approval of the road route, but noted that the road is essential to the success of the project. He said if he does not have formal approval by the mid-February, "I will begin to make a fuss."

And then water, electricity, and sewer lines

16. (C) Masri reported that recent conversations with the head of the Palestinian Energy Authority, Dr. Omar Kittaneh, and PA officials in the Ministry of Finance (MoF) indicate the PA will help pay for some of the necessary equipment for the electricity hookup. The local electricity distribution company has accepted a guarantee from Rawabi to begin work, and Masri said MoF Director General Mazen Jadallah told him "once you get the bulldozers on site, we will pay." Negotiations with both Israeli and Palestinian water authorities are ongoing, and Masri reports slow, but positive progress on both fronts.

And the biggest hurdle: infrastructure funding

17. (C) Now that the land title issue is solved, Masri said, there is a new opportunity for donors to come in. He said there is a section of the planned access road that loops around the city, entirely in Area B, on land with clear title, on which construction could begin immediately. This section of the road will not change, he said, no matter what final route is decided on by the PA and GOI for the access road through Area C. Masri stressed the urgency of beginning work on this road, and made a plea for USG assistance. "This road will determine the affordability and feasibility of this project, and we need it now, not two years from now," he said.

Good Coordination with the IDF

18. (SBU) After an incident on November 4 when the IDF ordered workers to stop planting pine trees in Areas C and B, Masri said he increased coordination with his IDF contacts. He received permission to continue planting in Areas C and B, and restarted the work. On November 13, settlers from nearby Ateret settlement attempted to disrupt the planting. Masri said his workers pulled back to avoid confrontation, and the IDF responded to disperse the settlers. Masri said over 7,000 trees have been planted so far, and he was encouraged by the IDF's positive response. He fears, however, that the arrival of bulldozers in the coming weeks has the potential to draw a more determined settler response.

RUBINSTEIN